

NEW HAMPSHIRE
DEPARTMENT OF ENVIRONMENTAL SERVICES
2002 ANNUAL REPORT
Fiscal Year Ended June 30



October 31, 2002

George Dana Bisbee
Acting Commissioner

Pursuant to RSA 20:7

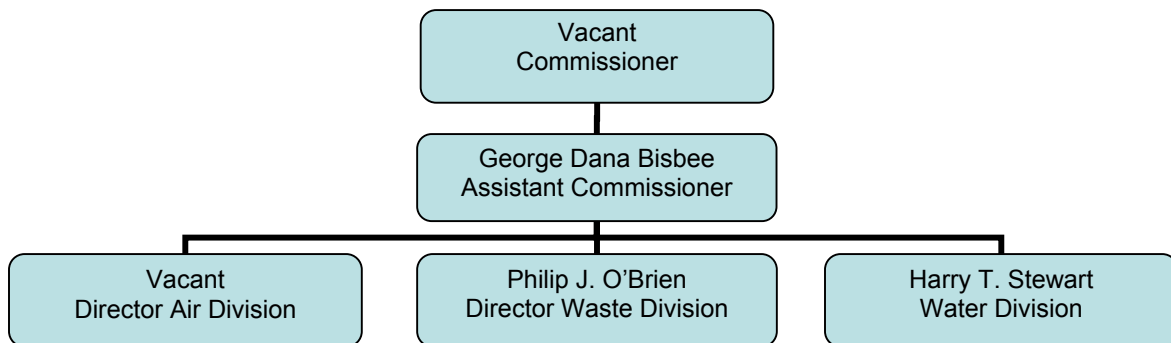
INTRODUCTION

The New Hampshire Department of Environmental Services was established under Chapter 202, Part 1, of the New Hampshire laws of 1986. That Legislation states that the Department shall be responsible for the following general functions: water pollution control; water supply protection; regulation of waste disposal generally, and as it affects water quality; maintenance of state owned dams; inspection of dams; flood control; and air pollution control. The Department is organized into three divisions: Air, Waste Management, and Water. The Division of Water was established under Chapter 228, Part 5, of the Laws of 1995 through the combination of the former divisions of Water Resources and Water Supply and Pollution Control.

The mission of the Department of Environmental Services, as stated in its draft strategic plan, is to *help sustain a high quality of life for all citizens by protecting and restoring the environment and public health in New Hampshire*. The Department works in partnership with the public, businesses, government, environmental community, and many other organizations to fulfill that mission by:

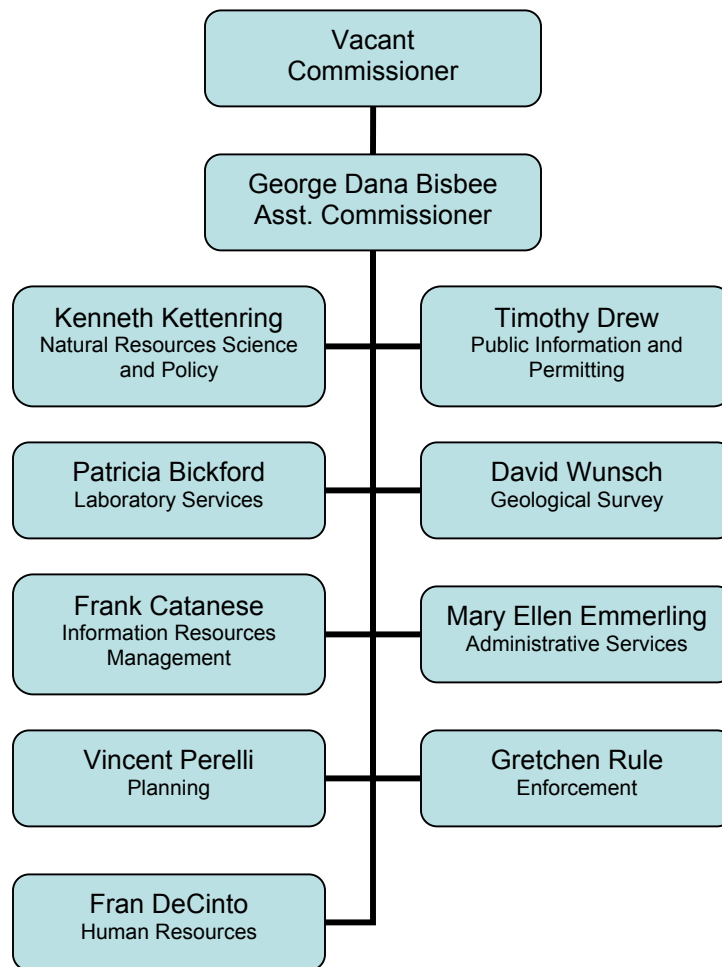
- Promoting mutual respect and effective, straightforward communications, within and outside of the agency.
- Providing timely and consistent responses to all customers.
- Encouraging meaningful opportunities for public participation in meeting its responsibilities.
- Integrating environmental quality, public health and safety, and economic vitality, and considering the concerns and aspirations of all citizens, while pursuing its responsibilities under the law.
- Striving for high levels of effectiveness in all operations based on a commitment to continuous improvement and openness to innovative approaches.
- Facilitating scientifically and technically sound, cost effective, and environmentally appropriate solutions.
- Leading the State in environmental and sustainability initiatives.
- Considering the long-term and cumulative effects of its policies, programs, and decisions.
- Fostering environmental awareness and stewardship through education, outreach, and assistance.
- Affording fair and equitable treatment all New Hampshire citizens in the implementation of federal and state environmental laws, rules, programs, and policies, and in the management of the agency.
- Maintaining a work environment that attracts and retains the most dedicated and talented staff.
- Minimizing environmental and human health risks to the greatest extent possible, especially for our most vulnerable populations.

NH DEPARTMENT OF ENVIRONMENTAL SERVICES
JUNE 30, 2002



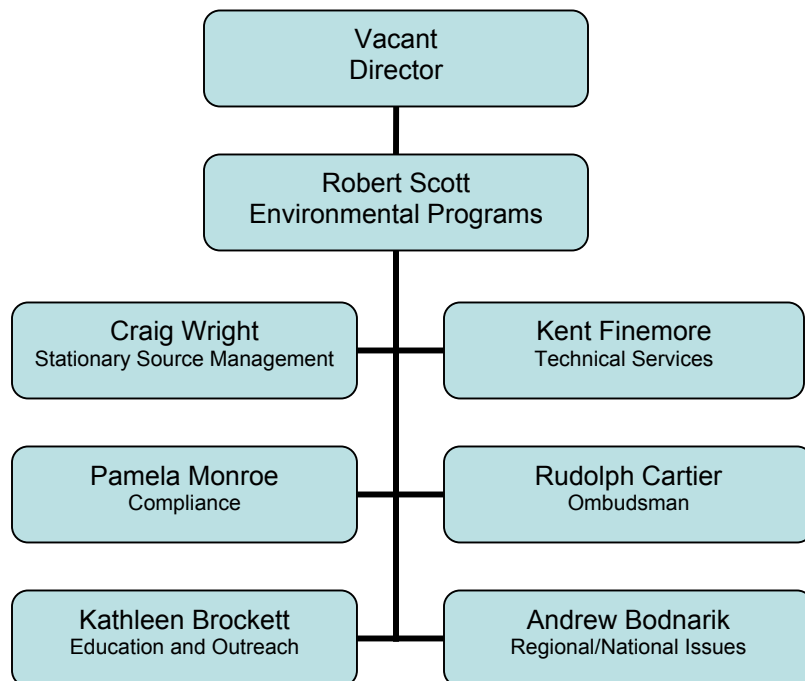
OFFICE OF COMMISSIONER

June 30, 2002

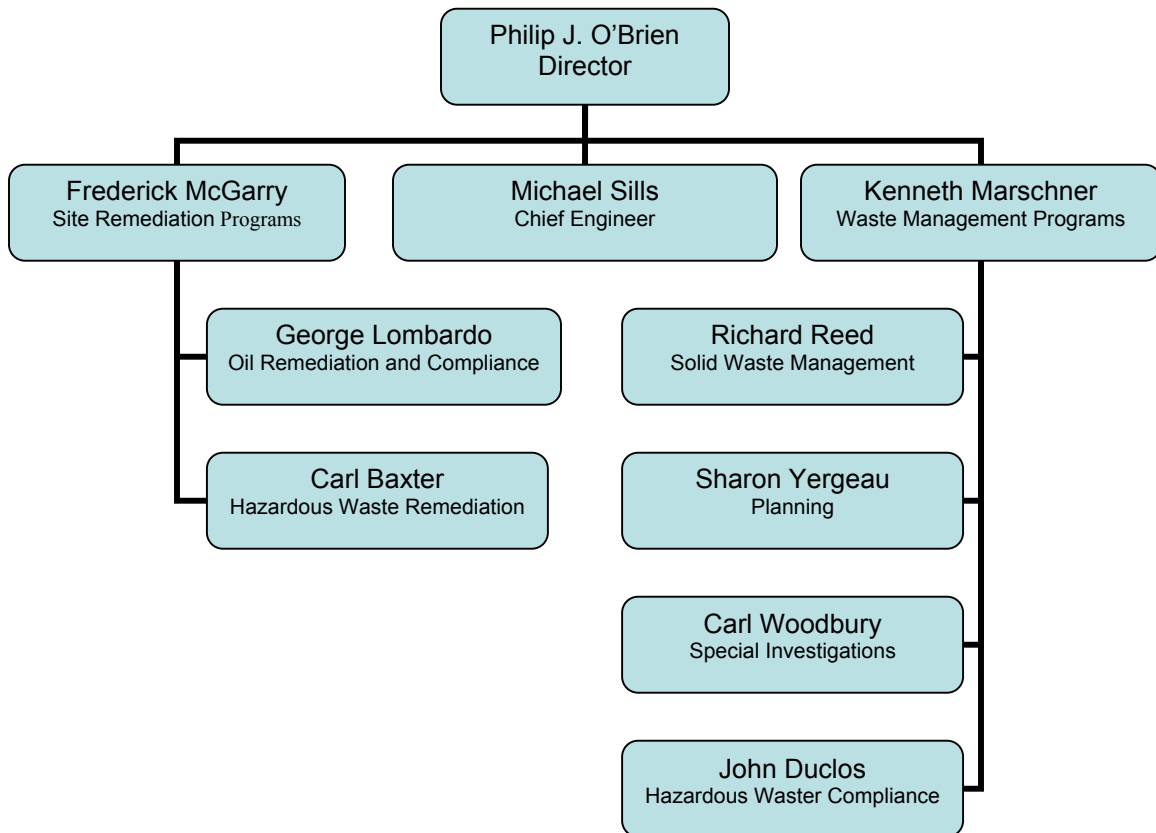


AIR RESOURCES DIVISION

June 30, 2002

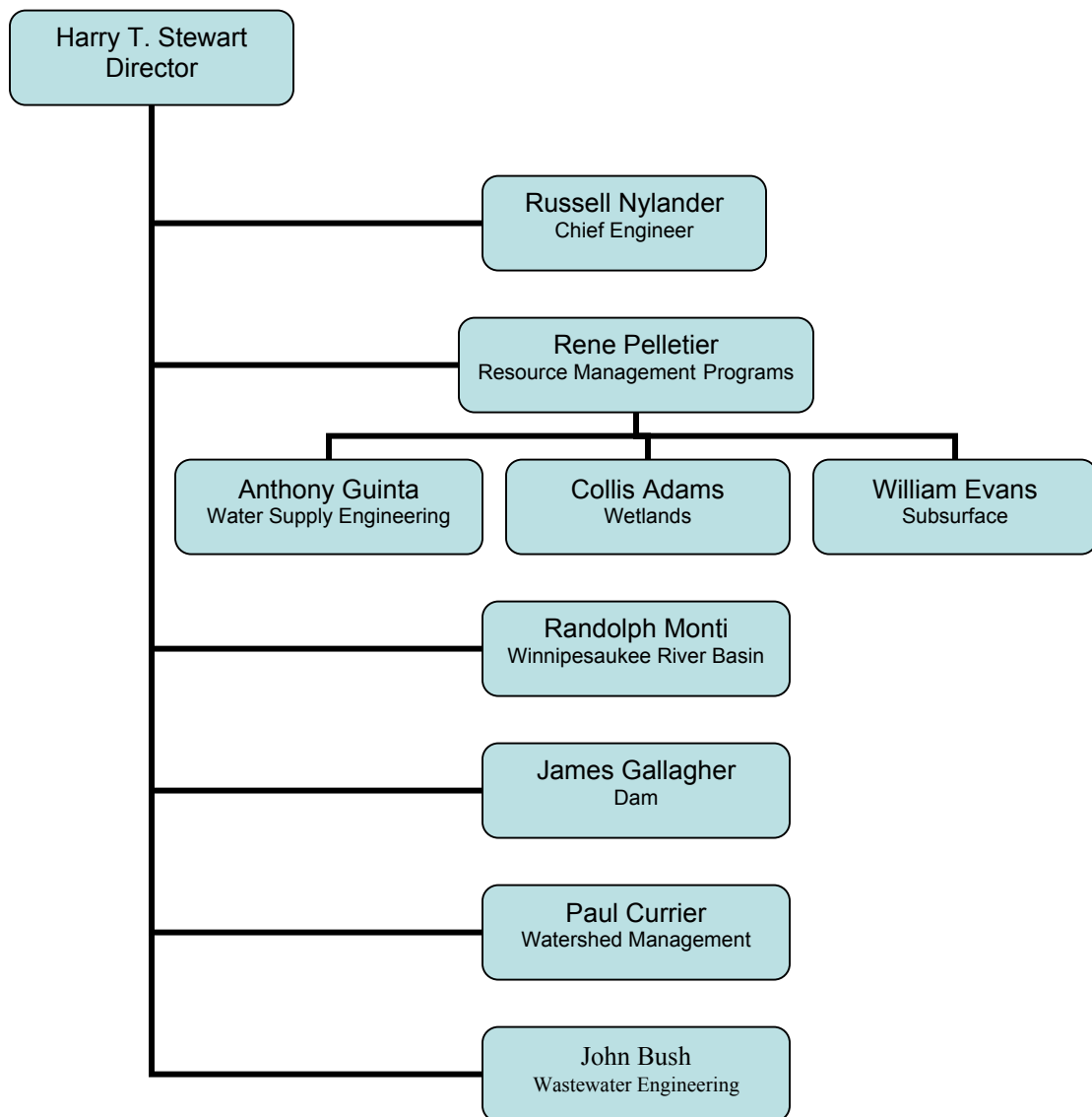


Waste Management Division
June 30, 2002



WATER DIVISION

June 30, 2002



PERSONNEL DATA



Current Number of Employees	June 30, 2001	June 30, 2002
Unclassified	5	4
Classified	407	409
Temporary	66	89
Total	478	502

PHYSICAL PLANT AND PROPERTY APPRAISAL



Acquisition Value	June 30, 2001	June 30, 2002
Equipment	\$9,469,359.11	\$12,120,945.53
Motor Vehicle	\$1,844,878.13	\$2,136,895.85
Dams and Land	\$57,432,374.00	\$57,469,232.00
Buildings	\$32,347,392.00	\$32,347,392.00
Total	\$101,094,033.24	\$104,074,465.38

RECEIPTS AND EXPENDITURES

For Fiscal Year Ending June 30, 2002

Receipts	Fiscal Year 2002
Unrestricted Revenue	\$2,286,022
Federal Funds	\$29,893,830
Fees and Registrations	\$25,683,970
General Fund Appropriations	\$35,312,816
All Other Sources	\$23,902,175
Total	\$117,078,813

Expenditures	Fiscal Year 2002
Permanent Personnel	\$14,971,866
Current Expenses	\$2,210,491
Equipment	\$1,042,416
Other Personnel	
Overtime/Holiday	\$408,690
Personal Services - Temporary	\$699,149
Full-time Temporary	\$3,895,888
Benefits	\$6,246,872
In-State Travel	\$209,912
Out-of-State Travel	\$216,838
Miscellaneous	
Contractual Services	\$4,665,564
Oil Fund Board Disbursements	\$11,256,468
Debt Service	\$963,215
Capital Expenditures	\$2,478,258
All Other	\$451,260
Total	\$49,716,908

Disbursements to Cities and Towns	Fiscal Year 2002
State Revolving Fund Loans	
Clean Water SRF	\$23,029,853
Drinking Water SRF	\$9,225,789
Brownfields	\$115,323
State Aid Grants	
Landfills	\$1,929,971
Water Filtration	\$1,743,275
Waste Water	\$12,377,616
Land Resources Management	\$1,353,125
Aquatic Weed Grants	\$99,937
Household Hazardous Waste Collection	\$226,481
Used Oil Grants	\$60,849
Total	\$50,162,218

Disbursements to State Agencies	Fiscal Year 2002
Administrative Services	\$520,919
Department of Justice	\$355,051
Department of Safety	\$132,461
General Services	\$1,035,028
Graphic Services	\$116,894
Mail Room	\$128,542
Telecommunications	\$301,288
All Other Agencies (under \$10,000)	\$318,712
DES Oil Discharge and Disbursement Fund	\$573,110
DES Maintenance of Dams	\$348,888
All other DES Accounts (under 100,000)	\$1,377,730
Total	\$5,208,631

Total Disbursements and Expenditures
\$105,087,758

MAJOR ACCOMPLISHMENTS

Clean Power Strategy: Gov. Jeanne Shaheen signed the New Hampshire Clean Power Act into law, making our state the first in the nation to require fossil fuel plants to reduce the emissions of carbon dioxide (greenhouse gas), sulfur dioxide (acid rain), nitrogen oxides (smog), and mercury.



Under this act, the state's three fossil-fuel power plants (Merrimack Station in Bow, Newington Station in Newington and Shiller Station in Portsmouth) will have a five-year window to reduce their emissions, relative to 1990 levels, by the following amounts: sulfur dioxide, 75%; nitrogen oxides (nitric and nitrous), 70%; mercury, 75%; and carbon dioxide, 7%. The owners of the plants will be required to meet the reduced emissions targets by implementing new technology, purchasing emissions credits, or a combination of those strategies.

Clean Marine Engine Initiative: The Clean Marine Engine Initiative is an agreement between DES and marine engine dealers with the goal of accelerating the sale and use of low-pollution two-cycle (direct injection) and four-cycle outboard marine engines in New Hampshire. Participating dealers surpassed their goal during the first year of the initiative, and 65% of their engine sales were the cleaner advanced technology models.

Advanced technology engines are more fuel efficient, quieter, reduce air emissions, and discharge less pollution into the water than conventional carbureted marine engines. Carbureted marine engines can be very inefficient in their use of gasoline and oil, and they are the second-largest contributor of hydrocarbon exhaust emissions into both the air and water. Unburned gasoline from boats and personal watercraft contributes to elevated levels of benzene, MtBE, and other toxic gasoline components in waters of the State.

The Initiative received an Environmental Merit Award from Region I of the Environmental Protection Agency.

Dam Removal: Gov. Jeanne Shaheen helped restore a section of the Ashuelot River (a tributary of the Connecticut) when she participated in breaching the

McGoldrick Dam in Hinsdale. This was first dam in New Hampshire to be removed for the purposes of restoring a free-flowing stream, and it will make possible the return of American shad, Blueback Herring and Atlantic salmon for the first time in 173 years.

The removal of the McGoldrick Dam was made possible through a collaborative public-private initiative, called the New Hampshire River Restoration Task Force. The Ashuelot River is one of a select number of rivers specially designated by the New Hampshire legislature under the State Rivers Management and Protection Program. A second dam on the Ashuelot River, in Winchester, NH, is also scheduled for removal.



Newspaper Recycling: New Hampshire's eight largest newspapers have concluded a voluntary 10 year pact to increase the recycled paper content of their newsprint to 40 percent. Under the 1991 agreement, the newspapers agreed to meet goals set by the N.H. Department of Environmental Services (DES) and the N.H. Daily Newspaper Association. The combined average for all eight papers is 33%, up 450% from the 6% recycled fiber content 10 years ago. Three of the newspapers - *Concord Monitor*, *The Keene Sentinel* and *Valley News* - met the 40% goal. *The Keene Sentinel* achieved a recycled content of over 50%. The other participating newspapers were *The Eagle Times*, *Fosters Daily Democrat*, *The Telegraph*, *Seacoast Newspapers*, and *The Union Leader*.

The main reasons cited for not being able to achieve the 40% goal include the cost and limited availability of high recycled content newsprint, cooperative agreements, and equipment restrictions. Despite these issues, the participating newspapers will continue their voluntary efforts to increase recycled content.

A Brownfields Success: The first loan agreement under the Department's Brownfields Cleanup Revolving Loan Fund (BCRLF) program was signed recently to assist with cleanup costs for the former Whitney Screw site in Nashua. The redevelopment will provide expanded facilities for two local businesses, Goodale's Bike and Outdoor Power.

The 5.4-acre former Whitney Screw site in Nashua abuts a mix of residential properties and businesses, as well as an active rail corridor. Historical use of the

property involved a variety of industrial activities under a series of ownerships beginning in the early 1900s. Whitney Screw's plating room operations ceased in April 1985. Currently, a one-story warehouse complex consisting of twelve attached structures spans the site.

Brownfields are properties that have been underutilized or abandoned due to environmental contamination. Historically, prospective new owners, financial institutions, and municipalities have avoided involvement with these properties due to potential liability for existing environmental contamination. Abandonment of these sites contributes to the urban blight, and sprawl by forcing new industrial development to move into green areas such as farm and forest lands.

Granite State Clean Cars Initiative A new voluntary car-labeling program that makes it easier for consumers to identify less polluting, more fuel-efficient new cars on dealer lots was recently launched. The new program, called the *Granite State Clean Cars* program, was developed through a unique public/private partnership, which includes DES, the N.H. Automobile Dealers Association, the American Lung Association of N.H., the Appalachian Mountain Club, and the Department of Transportation.



To qualify for the label designed specifically for this program, the vehicle must have a highway fuel economy rating of at least 30 miles per gallon and be classified as a "low emissions vehicle."

Superfund cleanup completed: The Gilson Road Superfund Site in Nashua has now met all of its groundwater cleanup goals. The Environmental Protection Agency and DES have decommissioned the facility and removed the treatment equipment and storage tanks. The facility was constructed in the mid-1980s.

Over 900,000 gallons of liquid hazardous wastes were illegally disposed into an on-site leach field during the 1970s, contaminating over 100 million gallons of groundwater. During the clean-up the facility treated more than one billion gallons of groundwater, removing more than 430,000 pounds of contaminants at a total cost of nearly \$30 million.

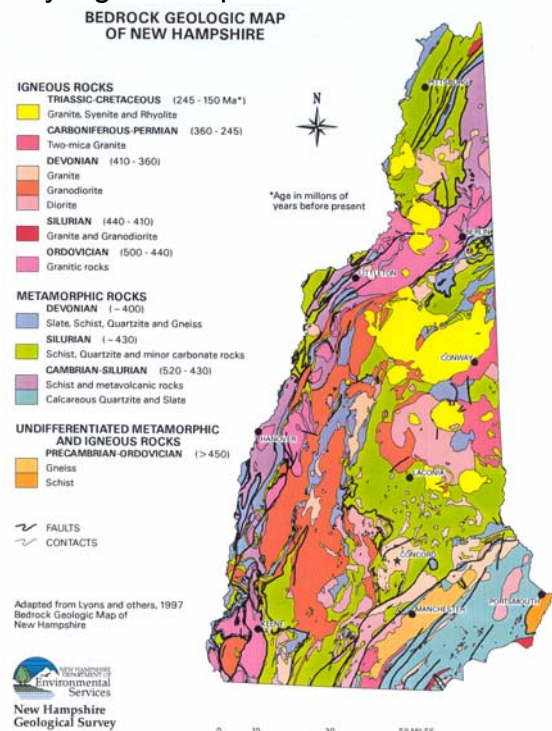
Water Supply Land Grants: The first Water Supply Land Conservation Grants have been awarded to the communities of Barrington, Epping, Nashua, North

Hampton, Portsmouth, and Raymond. The purpose of the grants is to protect critical water supply lands. To qualify for a grant, protected lands must be within the source water protection areas for existing or planned public drinking water supplies and the state grants must be matched on a 3:1 basis from local sources. Sources of the local match can include easements of donated land that also lie within the source water protection area.

Formation of NH Geological Survey: The New Hampshire Geological Survey (NHGS) was created within the Department by legislation passed In June 2001. The purpose of the NHGS is to collect data and perform research on the land, mineral and water resources of the State, and to disseminate that information to the public through maps, reports, and other publications.

The formation of the NHGS included the merger of the Water Management Section and the State Geologist's Office. Thus, the NHGS will absorb responsibility for collecting and managing water well construction and water use data, managing the state's water-level monitoring network, and providing other related information.

The NHGS plans to enhance the accessibility of its services by making the water well data base more accessible to the public; analyzing existing data to create depth-to-bedrock maps; and delineating hydrogeological and geochemical anomalies, such as arsenic, radon, fluoride, and salt water problems. The survey will aggressively continue geological mapping of surficial deposits at the 1:24,000 scale, and make the maps available as seamless digital layers accessible through the DES One-Stop and GRANIT databases.



LEGISLATION

Laws of 2002	Title	Implementation
Chapter 20	Establishing a committee to study the permitting and hearing process for proposed highways. Eff. 4/2/02	It is expected that DES will be requested to provide the committee information relative to wetlands and alteration of terrain permitting processes.
Chapter 27	Relative to the regulation of Junk Yards. Eff. 7/1/02	Facilitates DES implementation of improved environmental management practices at junk yards.
Chapter 41	Establishing a committee to study the expansion of projects eligible for financial assistance under RSA 486-A. Eff. 4/22/02	It is expected that DES will be requested to provide information and technical assistance to the committee.
Chapter 51	Requiring State regulatory boards, commissions, advisory boards, and authorities to provide orientation information for new members. Eff. 1/1/03	DES will probably have to provide support to councils and boards to compile the information for the new members.
Chapter 60	Establishing a study committee to review the impact on revenue flows to municipalities from lands being bought by Federal, State, and other public entities for conservation purposes. Eff. 4/26/02	No immediate impact to DES.
Chapter 73	Relative to municipal limitation of renewable energy systems. Eff. 6/30/02	No additional impact to DES
Chapter 74	Relative to the Pollution Prevention Program. Eff. 6/30/02	No additional impact to DES
Chapter 75	Designating segments of the Isinglass River as protected under the Rivers Management and Protection Program. Eff. 6/30/02	No additional impact to DES.
Chapter 87	Establishing a hazardous waste coordinator certification program and making an appropriation therefore. Eff. 7/1/02	DES must implement a new program by January 1, 2003. A new position is authorized to coordinate the program.
Chapter 104	Establishing a committee to study methods of supporting the continued operation of wood-fired electrical generating facilities. Eff. 5/3/02	No additional impact to DES
Chapter 114	Relative setbacks in the Shoreland Protection Act. Eff. 7/2/02	No additional impact to DES.
Chapter 124	Extending the environmental audit program. Eff. 5/8/02	DES may receive additional audit reports/requests for penalty mitigation.
Chapter 130	Relative to additional emission reductions from existing fossil fuel burning steam electric power plants. Eff. 7/1/02	DES must develop rules by January 1, 2003.
Chapter 141	Relative to the protection of public water supplies during emergency conditions and establishing a committee to study the formation of regional water systems and the eligibility of such systems for State construction grants. Eff. 5/13/02	Requires DES, at the request of the Governor, to consult with the owner of a water supply and make recommendations on emergency protections that may be necessary; requires DES to perform preliminary analysis of alternatives when it discovers a significant health or safety problem; It is expected that DES will be requested to provide information and technical assistance to the committee.
Chapter 142	Relative to rules for water conservation. Eff. 7/12/02	Requires DES to adopt rules for water conservation practices.
Chapter 169	Relative to fines for violations of the Shoreland Protection Act. Eff. 1/1/03	No additional impact to DES.
Chapter 172	Relative to mercury reductions. Eff. 5/15/02	No additional impact to DES.
Chapter 174	Relative to supply of water by village districts and authorizing Carroll County to operate a public water system. Eff. 5/15/02	No additional impact to DES.
Chapter 185	Establishing a committee to study regulation and procedures for lake level investigation and orders. Eff. 5/15/02	It is expected that DES will be asked to provide information and technical assistance to the committee.

Legislation (continued)

Laws of 2002	Title	Implementation
Chapter 186	Relative to landfill closing costs reimbursed by the DES. Eff. 7/14/02	No additional impact to DES.
Chapter 197	Re-authorizing the motor oil discharge cleanup fund established under RSA 146-F, and establishing new positions at DES and making appropriation therefore. Eff. 7/1/02	No additional impact to DES.
Chapter 201	Relative to Milfoil and other exotic aquatic plants prevention program. Eff. 1/1/03	DES must establish a management plan, and submit an annual report beginning 1/1/04
Chapter 209	Increasing the state aid contribution to municipalities that expand, upgrade, or develop new wastewater treatment facilities to provide for expanded septage handling and disposal capacity. Eff. 7/1/03	The amount of increase in the budget for state aid grants has not been determined.
Chapter 210	Relative to membership of the wetlands council. Eff. 7/15/02	Eliminates the DES representative and a potential conflict of interest.
Chapter 220	Establishing the position of hazardous materials response coordinator and making an appropriation therefore, and establishing a committee to study the interoperability of state agency communications authorizing the position of deputy director of state police, and repealing the division of enforcement in the department of safety. Eff. 5/17/02	It is expected that DES will be requested to provide information to the communications study committee.
Chapter 236	Establishing a village plan alternative subdivision in zoning and land use planning laws. Eff. 7/16/02	Requires some modification of DES subdivision criteria.
Chapter 251	Repealing the water pollution control revolving loan fund advisory committee, the local government advisory committee, and the NH industrial heritage commission; establishing a reporting requirement for the environmental research advisory committee; and creating a radon study committee. Eff. 5/17/02	It is expected that DES will be requested to provide information to the radon study committee.
Chapter 259	Relative to the state 10-year transportation improvement program, establishing a transportation project study committee, increasing the distribution to certain municipalities from the special railroad fund, establishing a committee to study the distribution from the special railroad fund, and relative to a certain property tax exemption. Eff. 7/1/02	It is expected that DES will be requested to provide information to the transportation project study committee.
Chapter 263	Relative to the Comprehensive Shoreland Protection Act. Eff. 7/17/02	Requires DES to adopt rules relative to amended provisions of the CSPA.
Chapter 265	Establishing a position of Septage Coordinator and making an appropriation therefore. Eff. 5/18/02	Authorizes DES to hire a coordinator to fulfill the duties provided for in RSA 485-A:30, I-a.
Chapter 268	Relative to renewable-energy-source electricity generation and transition service. Eff. 5/18/02	Requires DES input to the Public Utility Commission relative to renewable energy sources.
Chapter 272	Relative to operation of motorized vessels and safe boater education and relative to fill and dredge in wetlands. Eff. 5/18/02	Requires DES to adopt rules to establish an expedited wetland application and permitting process and to identify activities that do not require permits.
Chapter 278	Establishing a pilot program to study and establish protected instream flows and water management plans on the Lamprey River and Souhegan River. Eff. 5/18/02	Requires DES to submit a report of the results of protected instream flow studies by 4/1/05; adopt and implement protected instream flows and water management plans by 10/1/05; hold public hearings one year after adoption of rules